

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
December 10, 2013 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Tuesday, December 10, 2013 at 7:00 p.m. in the large courtroom of the Transylvania County Courthouse. The meeting had been rescheduled from its original meeting date on Monday, December 9, 2013.

Commissioners present were Vice-Chairman Larry Chapman, Chairman Mike Hawkins, Daryle Hogsed and Page Lemel. Commissioner Chappell was a few minutes late because he attended a school function for his daughter. Also present were County Manager Artie Wilson, County Attorney Tony Dalton, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Eric Crews

There were approximately 25 people in the audience.

CALL TO ORDER

Chairman Mike Hawkins presiding called the meeting to order at 7:02 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting and thanked the members of the audience for participating in their County government. He introduced the members of the Board of Commissioners and staff.

APPROVAL OF MINUTES

The Board of Commissioners' Rules of Procedure states that at the first regular meeting in December of each odd-numbered year the first order of business shall be the approval of the minutes.

Commissioner Lemel moved to approve the minutes of the October 14, 2013 and October 28, 2013 regular meetings. The motion was seconded by Commissioner Hogsed and unanimously approved.

ELECTION OF OFFICERS

At the first regular meeting in December of each odd-numbered year the second order of business shall be the election of the Chairman and Vice-Chairman for the ensuing year, per NC General Statute 153A-39.

Commissioner Lemel moved to elect Commissioner Hawkins as Chairman of the Transylvania County Board of Commissioners. The motion was seconded by Commissioner Chapman and passed by a vote of 3 to 1, with Commissioner Hogsed voting against. Commissioner Chappell was absent for the vote.

Chairman Hawkins moved to elect Commissioner Chapman as Vice-Chairman for the ensuing year, seconded by Commissioner Hogsed and unanimously approved. Commissioner Chappell was present for the vote.

PUBLIC COMMENT

There were no comments from the public.

AGENDA MODIFICATIONS

The Manager reported on the agenda modifications. He requested to add Item X-E Letter of Support-Transylvania Vocational Services under New Business and move the Manager's Report to Item X-F.

Commissioner Hogsed moved to approve the agenda as modified, seconded by Commissioner Chapman and unanimously approved.

CONSENT AGENDA

CANCELLATION OF THE DECEMBER 23RD BOARD OF COMMISSIONERS MEETING

The Board of Commissioners held a workshop on December 2 and a regular meeting this evening, so staff recommended cancelling the second meeting in December which falls on the 23rd being there is no important business expected.

Commissioner Lemel moved to approve the Consent Agenda, seconded by Commissioner Chappell and unanimously approved.

PRESENTATIONS/RECOGNITIONS

ECONOMIC DEVELOPMENT TOOLS AVAILABLE WITH LAND-OF-SKY REGIONAL COUNCIL

The Land-of-Sky Regional Council has a number of new economic development tools available to its member counties and they requested to introduce some of those to the Board of Commissioners. Executive Director Justin Hembree and Director of Community and Economic Development Erica Anderson showed a power point presentation highlighting the services provided by Land-of-Sky and economic development tools available.

Mr. Hembree began the presentation by describing the Land-of-Sky Regional Council (LOSRC) as a multi-county, local government planning and development organization that reaches across county and municipal borders to provide technical assistance to local governments and administer projects and programs which benefit citizens in the region. The LOSRC provides economic and community development services and also has a volunteer services department that connects older adults in the region with people or organizations that need them most. They also offer an Area Agency on Aging to promote the well being of older adults and families. The LOSRC is affiliated with the Mountain Area Workforce Development which plans for and addresses workforce development needs of citizens and businesses. Mountain Mobility, which is more specific to Buncombe County, allows the LOSRC to manage through a contract the administrative side of the county's transportation system.

The LOSRC has a new mission statement that focuses on working to find regional solutions for relevant and emerging issues in the region and most importantly to provide services to the member governments. The LOSRC is recognized by the Appalachian Regional Commission (ARC) and the Economic Development Administration (EDA) as the Lead Economic Development District in the four-county region. That means these organizations and agencies look to them to develop strategic economic development plans to help guide them in terms of where they invest their funds.

Over the next year as the LOSRC moves through its strategic planning process, their goal is to become more focused on customer service. They intend to be driven from the bottom up. They are also going to

become more outcomes driven and make strategic investments in terms of their resources, time and efforts.

Ms. Anderson reported on some of the specific resources provided by LOSRC, such as grant writing, project administration, fee-for-services, regional collaboration, and data repository. Some of the specific tools they have are a strategy toolbox where there are choices available for counties needing assistance in specific areas, a map viewer, GIS and land use models. The map viewer is a window into the data repository where officials can choose different areas to look at. It is meant to be very user friendly.

The LOSRC wants to move forward in more of a supporting role through providing technical assistance, research, partnerships and convening, and through State and federal grants programs. Ms. Anderson pointed out that the LOSRC is working with Transylvania County and others on an industrial lands analysis to determine where it makes the most sense to locate certain industries.

Commissioner Chapman inquired as to whose responsibility it is to identify available grants. Ms. Anderson responded that the LOSRC pays attention to what grants might be available and shares the information with their member communities. They are also proactive in searching for grants if they are aware of specific interests in communities. Mr. Humbree reported that their newsletters provide extensive information on funding opportunities. He also noted that the LOSRC intends to hold an open house in January at which some State and federal funding partners will be in attendance to share with everyone grant opportunities that will be available.

Chairman Hawkins commented that Commissioners and staff have briefly discussed the need of having a grant writer on staff. He wondered if that is an area in which the Land-of-Sky can assist the County. Mr. Humbree stated that the organization has a lot of expertise in grant writing and suggested the County explore opportunities with them before hiring a person at the County level.

Commissioner Lemel asked Mr. Humbree to report on what the County receives in terms of services for its membership dues. Mr. Humbree reported that local membership dues are used as matching funds for specific federal and State grants. Dues are also used to recover administrative costs of grant writing and other services. Mr. Humbree said this is an area the LOSRC will be revisiting because they want to be able to provide a list of the services member governments receive on an annual basis based on the dues paid.

Commissioner Lemel asked if the LOSRC patrols for private dollars in addition to State and federal monies. Mr. Humbree reported that the LOSRC also seeks private dollars and they have a close relationship with a few foundations. The Executive Board of the LOSRC intends to discuss the potential need for forming a nonprofit foundation so they can better pull down those nonprofit funds that may not be available for governmental type organizations but are more for community based projects being administered by counties. Mr. Humbree encouraged Commissioners to contact the LOSRC for assistance or with any ideas they have about funding opportunities or where funding opportunities are needed.

Commissioner Chappell thanked the LOSRC for putting a greater emphasis on economic and workforce development because those areas are the key to gaining a better economy and counties need their help in this effort. Commissioner Chappell also thanked Mr. Humbree and Ms. Anderson for their efforts in reaching out to their member governments. Mr. Humbree noted that Workforce Development is now housed under the same roof at LOSRC which means they have interaction with each other on a daily basis. This makes it easier for both entities to align their programs to achieve the best outcomes.

Chairman Hawkins noted that the LOSRC is heavily involved in transportation issues. He is interested in connectivity of local transit systems and wondered if this is an issue that can be explored by the Rural

Planning Organization. Ms. Anderson reported that efforts are underway now to facilitate these discussions. Other counties have expressed an interest in the connectivity of transit systems as well.

There was no further discussion. Commissioners thanked both Mr. Humbree and Ms. Anderson for their presentation.

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2012-2013

The laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the State publish a complete set of financial statements annually. Erica Brown from Martin Starnes & Associates presented an overview of the FY 2012-2013 Financial Report and highlighted the report via a power point presentation. It was noted that there were no findings for the period.

Before the presentation, the Manager gave a special thanks to the Finance Department staff for all their hard work on this audit.

Ms. Brown reported that Martin Starnes has issued an unmodified audit opinion which means this is the best audit opinion. There were no significant deficiencies or material weaknesses identified in regards to the financial statements and the compliance with federal and State grant awards. The report is mainly about the general fund. The audit report has been submitted to the Local Government Commission and is awaiting their approval.

Audit staff works year round with the Finance Department. They perform interim procedures such as compliance testing and reading through Board minutes. Final procedures involve performing a financial statement analysis and issuing the audit opinion.

Next Ms. Brown highlighted the General Fund for FY 2013:

- Revenues increased approximately 2.4% over the previous year and includes transfers in and capital lease obligations
- Expenditures increased 1.9% and includes transfers out
- Fund balance increased by \$925,068 over 2012, a 4% increase, due to an increase in sales taxes and lower than estimated health insurance claims costs
- Total Fund Balance=\$21,963,860; Available Fund Balance=\$19,043,272, an increase of \$719,482, or 3.9%, over the prior year
- There are 5 classifications of Fund Balance: (1) Non-spendable – not in cash form; (2) Restricted – external restrictions (laws and grantors); (3) Committed – internal constraints at the highest level (Board); do not expire and require Board action to undo; (4) Assigned – internal constraints, lower level than committed; (5) Unassigned – no external or internal restraints
- Non-spendable – inventory and pre-pays total \$40,893
- Restricted – (outside source – grants law) stabilization for State statute \$2,879,695 – other restricted totaling \$407,887 includes general government, public safety, human services, and culture and recreation
- Committed – \$1,279,340 for general government, retiree health insurance; \$732,800 for law enforcement officers retirement; total Committed \$2,012,140
- Assigned – \$4,320,436 – includes subsequent year expenditures of \$1,311,619, general government expenditures of \$2,510,883; remaining is for various items for public safety, economic development, human services
- Total Unassigned Fund Balance is \$12,302,809; equal to 30.7% as a percentage of General Fund Expenditures

- Available Fund Balance is 47.6% which equates to nearly 6 months' worth of expenditures; Unassigned Fund Balance equates to 3.5 months' worth of expenditures
- Top three revenues: (1) Ad valorem taxes-58%; (2) Local option sales tax-15%; (3) Restricted intergovernmental (grants)-16%. The top three makes up 89% of the total revenues.
- Property Tax increased less than 1% from the prior year. The collection rate for FY 2013 was 99.68% compared to the prior year of 99.63%. The County is well above the State average of 97%.
- Sales Tax compared to the prior year shows an increase of slightly over 5%. The increase is mainly due to overall increases in local option sales taxes.
- Restricted intergovernmental revenues (grants) increased nearly 7% from the prior year, mainly due to State and federal grants, such as NC Education Lottery proceeds, federal funding for foster care, local grants for health programs and several one-time grants. Most of these are pass-through funds.
- Top three expenditures: (1) Education-34%; (2) Public Safety-26%; (3) Human Services-21%. The top three functions comprise 81% of expenditures. The education percentage includes debt service on the school bonds.
- Education expenditures decreased about 1.4% due to the local school system drawing down some of their fund balance to meet additional current spending needs in FY 2013.
- Public Safety expenditures increased a little over 8%. Expenditures in the Sheriff's Department accounted for 62%. Public Safety expenditures accounted for 38% of the increase. This was mainly due to the purchase of a new ambulance for EMS and a new truck for Animal Control.
- Human Services expenditures showed a slight increase over the prior year of 1.9%.

Ms. Brown referred Commissioners to the management discussion and analysis in the front section of the audit report (begins on page 4) which is a great summary of the financials and provides additional information about the variances between actual FY 2013 results and the FY 2013 budget and comparisons to the prior year.

Commissioners commended staff on the transparency and openness of the information provided in the report, noting that the report gives a good sense of the financial foundation of the County and how things are managed. Commissioners also complimented Department Heads and staff for being responsible with taxpayer dollars and being conscientious of how every dollar is spent.

Commissioner Hogsed moved to accept the Audit Report, seconded by Commissioner Lemel and unanimously approved.

APPOINTMENTS

BREVARD PLANNING & ZONING

The terms of Gary Daniel and Richard Kimsey Jackson expire at the end of December. Mr. Daniel is not eligible for reappointment. However, there are no applications on file and Mr. Daniel has expressed an interest in continuing to serve. Today the Clerk received an email from the City Planning Department requesting Commissioners waive Mr. Daniel's term limits and allow him to serve another term. Mr. Jackson is eligible for reappointment and would like to serve another term. There remains one vacancy and the Clerk will continue advertising for this vacancy.

Commissioner Lemel moved to waive the term limits and reappoint Gary Daniel to another term and to reappoint Richard Kimsey Jackson to another term. The motion was seconded by Commissioner Chappell and unanimously approved.

BOARD OF HEALTH

The terms of Linda Schieve (General Public), Michael Becker (General Public) and PJ Boatright (Veterinarian) expire at the end of December. All are eligible for reappointment. Mr. Becker is serving in the capacity as a member of the general public because no optometrist has stepped forward to serve. Should an optometrist come forward, Mr. Becker would have to relinquish his position. There is one other application on file from a member of the general public.

The terms of Mark Creasman (Pharmacist) and Ora Wells (Physician) also expire at the end of December and neither is eligible for reappointment. Health Director Steve Smith is recruiting for their positions on the Board of Health and recommended waiting until January to fill these positions. The dentist position remains vacant; however, there may be an opportunity to fill this position soon.

The recommendation is to reappoint Linda Schieve, Michael Becker and PJ Boatright and delay the appointments for the pharmacist and physician positions until January.

Commissioner Hogsed moved to reappoint Linda Schieve, Michael Becker and PJ Boatright and delay the appointments for the pharmacist and physician positions until January. The motion was seconded by Commissioner Chapman and unanimously approved.

JUVENILE CRIME PREVENTION COUNCIL

Thomas Bradley recently resigned from the Juvenile Crime Prevention Council. There is one application on file from Daniel Nicholson. He was recently appointed to the Nursing/Adult Care Home Advisory Committee but had to resign due to a conflict of interest. He is interested in serving on the Juvenile Crime Prevention Council and his appointment is recommended by Council Chairman Alan Justice.

Commissioner Lemel moved to appoint Daniel Nicholson to fill the vacancy on the Juvenile Crime Prevention Council with his term to expire June 2015. The motion was seconded by Commissioner Hogsed and unanimously approved.

NEW BUSINESSLETTER OF SUPPORT FOR CHAMPION CREDIT UNION

Karen Knowlton, Executive Vice President of Business Development for Champion Credit Union, recently contacted the Manager about establishing a field of membership in Transylvania County. Champion Credit Union currently has a field of membership in seven counties (Buncombe, Graham, Haywood, Henderson, Jackson, Madison and Swain). They have a physical presence in both Buncombe and Haywood Counties. Champion Credit Union does not intend to establish a physical branch in Transylvania County at this time. The Manager contacted Carolina Mountain Credit Union and Ecusta Credit Union and neither expressed concerns with Champion Credit Union establishing a field of membership here. They too had to go through this same process. The Manager asked Commissioners to approve a letter of support for Champion Credit Union to establish a field of membership in Transylvania County. The North Carolina Credit Union League must approve their request to establish membership in Transylvania County.

Commissioner Hogsed moved to approve the letter of support for Champion Credit Union to establish a field of membership in Transylvania County. The motion was seconded by Commissioner Chapman and unanimously approved.

LEASE AGREEMENT FOR SILVERMONT CARRIAGE HOUSE

The lease agreement with Dwayne Norman has expired. Mr. Norman leases the Carriage House on the grounds of Silvermont. He provides daily care of the Carriage House and the grounds at Silvermont as spelled out in the lease agreement. The lease is a month-to-month lease and could be terminated at any time.

Commissioner Lemel moved to approve the lease agreement with Dwayne Norman. The motion was seconded by Commissioner Chappell. Commissioner Chapman requested that Mr. Norman maintain a log of his activities so staff will understand what the needs are for the facility. The Manager noted that Mr. Norman reports issues to the Parks and Recreation Department who then works hand-in-hand with the Maintenance Department to ensure these items are carried out. **The motion was unanimously approved.**

INTENT TO DONATE A SURPLUS VAN TO TRANSYLVANIA REGIONAL HOSPITAL

The North Carolina Department of Transportation recommends that public transportation vans be replaced when they reach 136,000 miles traveled. County Van 26 has been removed from service and declared surplus by the Manager having a total mileage of 142,384. In order for the van to continue serving citizens, County Transportation Director Keith McCoy is requesting the donation of the van to KOALA, a department of Transylvania Regional Hospital. North Carolina General Statute 160A-280 allows the county to donate any surplus personal property to a nonprofit organization incorporated in the United States. Prior to the donation the County must post a public notice of its intent to donate the property and then adopt a resolution donating the property at another meeting. The Manager recommended Commissioners authorize the posting of a notice of the Board of Commissioner's intent to donate the surplus van to Transylvania Regional Hospital.

Commissioner Lemel moved to authorize the posting of a notice of the Board of Commissioner's intent to donate the surplus van to Transylvania Regional Hospital. The motion was seconded by Commissioner Hogsd and unanimously approved.

COMPENSATION STUDY

Human Resources Director Sheila Cozart reported that the last compensation study for Transylvania County was completed in 2007 and implemented in February 2008. Unfortunately at that time the County experienced a recession and therefore began to see compression issues with salaries. Since that time County employees have received an across the board 3% increase and a merit increase this past year that averaged 2%. This year there has been significant turnover in the Social Services Department and other departments and the Manager and Department Heads are concerned about the pay structure not being competitive with surrounding counties which have given salary increases and completed pay studies over the same period of time.

The problems in the Social Services Department brought this issue to light, but there are issues within other departments as well. Ms. Cozart explained why the structure could not be changed for only the Department of Social Services. Restructuring the positions in the Social Services Department will cause inequities in other areas. One of the major reasons for employees leaving as expressed in their exit interviews was compensation.

The Manager understands that the County will not be able to match the wages being paid in some larger counties but he also understands that salaries must be within a reasonable range which prevents Transylvania County from becoming the training ground for other counties. Therefore, the Manager's recommendation is to engage the services of a consultant so that the study would be completed by March for inclusion in the FY 2015 Budget. The estimated cost of the study is \$35,000. The County does not have the resources to complete a pay study in house.

Springsted, Inc. completed the compensation study in 2008. There is a possibility of doing an update to the 2008 study which would minimize the cost. In the original study, there were complete new job descriptions developed for each position. This would not have to be completed this time around. Department Heads would work with employees to verify and validate the current job descriptions.

Commissioner Chapman agreed that Transylvania County cannot compete with the salary and compensation packages of Buncombe County. He did not support spending money on a study and preferred to use the money to give employees a bonus. He also preferred that this issue be addressed during the budget process. The Manager emphasized the importance of being equitable and fair to all County employees. He also feels it is important to learn what other comparable counties are paying their employees and where Transylvania County should be in terms of compensation. This can be accomplished through the study. Staff will use the data to support a recommendation for the upcoming budget.

Commissioner Lemel inquired about the time frame for completing the study. Ms. Cozart said that Springsted can complete a review of the job descriptions in January and then begin the next phase which should be wrapped up by the end of March. If Commissioners want to go with another firm, they would have to start the process from scratch, pushing the completion date out six to eight months. Commissioner Chappell asked that the study compare the entire compensation and benefit packages, not just salaries.

Commissioner Hogsed commented that Commissioners chose not to give salary increases after the pay compensation study was implemented in 2008, which essentially invalidated what the study recommendation was supposed to accomplish. Because of this, an employee hired in 2012 would be at the same salary as someone hired in 2007. Commissioner Hogsed urged Commissioners to take the necessary steps to correct the compression issues and reward those employees who have given the County years of service.

Commissioner Lemel noted that the salaries for county positions are listed on the School of Government's website. She asked how the information obtained in a study would differ from the information provided by the School of Government. Ms. Cozart said the study would directly compare like positions in like counties.

Commissioner Hogsed moved to authorize the Manager to proceed with a compensation study with funds to come from the contingency line item. The motion was seconded by Commissioner Lemel. Commissioner Chapman said he would reluctantly support the motion based on comments by Commissioner Hogsed. He hopes the County will be prepared to implement any recommendations. Commissioner Chappell also asked that consideration be given to implementing performance based increases in the future because it is better way of compensating employees. **The motion was unanimously approved.**

LETTER OF SUPPORT-TRANSYLVANIA VOCATIONAL SERVICES

Transylvania Vocational Services (TVS) is applying for a loan through the US Department of Agriculture to replace the roof on their building located in Jennings Industrial Park. TVS has requested a letter of support from the Board of Commissioners which will be included with the loan application.

Commissioner Lemel moved to approve the letter of support for Transylvania Vocational Services to obtain a loan from the US Department of Agriculture, seconded by Commissioner Hogsed and unanimously approved.

MANAGER'S REPORT

The Manager updated Commissioners on the status of several key projects:

1. Bids are out for the renovation of the old library. Several contractors have expressed interest in submitting a bid. A mandatory pre-bid meeting is scheduled for next week.
2. The first meeting of the Courthouse expansion committee occurred on November 25. Each stakeholder has been asked to estimate their needs for the next 15 years.
3. Continues to work with the Fanning family on a Community Appearance Initiative project; optimistic work can begin after the holidays.
4. Received a complaint about someone placing fill material in the floodway of the French Broad River; working with FEMA, NC Emergency Management and the City of Brevard on getting the issue resolved.
5. Met with Senator Apodaca and Representative Whitmire to discuss the issues with NC FAST and the inability for some citizens to receive benefits. The NC Association of County Commissioners is holding a conference call on this issue next week.
6. Followed up on concerns regarding how wrecker rotation is handled by the Sheriff's Department, City Police and the NC Highway Patrol; found that all three entities use three local wrecker services for their rotation and they go outside of the County only when none of the three local services is available.
7. Scheduled a meeting with Keith Webb of McGill Associates to discuss the next steps in learning more about water. The Manager forwarded a scope of work document to Commissioners today and is awaiting feedback. This item will be on the agenda for the first meeting in January.
8. Established the next follow up meeting with Lydian Altman of the School of Government to discuss goals for next year. The date is Thursday, February 6, 2014.
9. Introduced new Parks and Recreation Director Carleen Hanscom. She is a native Transylvanian and has transferred back home from Washington.
10. Reminded Commissioners of the Employee Christmas Luncheon this Friday at Brevard Community Church. He wished everyone a Merry Christmas and a blessed New Year.

Commissioner Chapman announced that he would be out of town and would miss the Employee Christmas Luncheon. He commented that it is always a great event.

PUBLIC COMMENT

There were no public comments.

COMMISSIONERS' COMMENTS

Commissioner Chappell apologized for being late. He was attending a school function with his daughter. He also noted that will not be able to attend the Employee Christmas Luncheon. He wished his fellow Commissioners a Merry Christmas and thanked them for their service.

Commissioner Lemel said she will be able to briefly attend the luncheon. She reported her on Commissioner duties and activities since the last meeting. She attended the monthly Smart Start meeting where she serves as a representative from the County Commission. She also attended the County employee longevity reception and thanked County employees for their service. Commissioner Lemel spent time at the Hunger Coalition meeting bringing together some of the stakeholders who are looking at the problem of child hunger here in the community. She noted that there is value in giving money to local organizations instead of just giving food because the power of the dollar is much more. She wished everyone happy holidays.

Commissioner Chapman reported that he attended the Rosman Board of Alderman meeting briefly tonight where the new members were sworn in, as well as reelected members. He welcomed them on behalf of the Board of Commissioners and offered the County's assistance where needed. He wished everyone Merry Christmas and Happy New Year.

Commissioner Hogsed thanked the members of the audience for being involved with local government. He expressed appreciation to his fellow County Commissioners and wished everyone Merry Christmas.

Chairman Hawkins said he is proud of the County for working with Rosman on different initiatives. He hopes the new members will take the opportunity to attend classes offered by the School of Government. Chairman Hawkins noted that there are vacancies on the Economic Development Advisory Board but the feedback from that Board is that it might be better not to make any new appointments until there is a recommendation from the Independent Economic Development Task Force. Chairman Hawkins wished everyone Merry Christmas and happy holidays.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn, seconded by Commissioner Chappell and unanimously carried.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board